

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO¹,
et al.,

Debtors.

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO SALES TAX FINANCING
CORPORATION,

Debtor

PROMESA

Title III

No. 17 BK 3284-LTS

**RESPONSE AND RESERVATION OF RIGHTS OF LEHMAN BROTHERS HOLDINGS
INC. AS PLAN ADMINISTRATOR FOR LEHMAN BROTHERS SPECIAL
FINANCING INC. TO THE MOTION OF PUERTO RICO SALES TAX FINANCING
CORPORATION, PURSUANT TO BANKRUPTCY CODE SECTION 365(A), FOR
ENTRY OF AN ORDER AUTHORIZING REJECTION OF THE DEBT SERVICE
DEPOSIT AGREEMENT WITH LEHMAN BROTHERS SPECIAL FINANCING INC.**

TO THE HONORABLE COURT:

Lehman Brothers Holdings Inc., as Plan Administrator for Lehman Brothers Special
Financing Inc. ("Lehman"), by and through its undersigned counsel, hereby files this response

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (iv) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747).

and reservation of rights to the *Motion of Puerto Rico Sales Tax Financing Corporation, Pursuant to Bankruptcy Code Section 365(a), for Entry of an Order Authorizing Rejection of the Debt Service Deposit Agreement with Lehman Brothers Special Financing Inc.* [ECF Doc# 4374 and #372] (the "Motion"), as follows:

1. The DSDA² is a tri-party agreement between Lehman, the Debtor and the Trustee that granted to Lehman, among other things, the right to deliver certain qualified securities to be purchased by the Trustee.

2. Lehman has no objection to the Debtor's rejection of the DSDA. However, rejection by the Debtor does not serve as a termination of the DSDA as to the Trustee, who is a non-Debtor party to the contract. As such, the DSDA remains in full force and effect *vis a vis* the Trustee, and Lehman reserves all rights of any kind or nature with respect to and/or against the Trustee under the DSDA and including, but not limited to, all of its rights with respect to the Debt Service Fund (as defined in the DSDA). In addition, Lehman reserves all rights to amend or supplement the Proof of Claim or file a new claim against the Debtor for damages under the DSDA, including an administrative claim and/or rejection damage claim.

3. Lehman expressly reserves its rights to supplement and amend this pleading without in any way limiting any other rights that it may have.

WHEREFORE, for the foregoing reasons, Lehman very respectfully requests that this Honorable Court take notice of its response to the Debtor's request to reject the DSDA and its reservation of rights as provided above.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 6th day of December 2018.

I HEREBY CERTIFY that on this same date the foregoing motion was filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the

² Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Motion.

US Trustee and to all those parties registered to receive notice within the electronic notification service.

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